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This assurance report is issued for purposes of the Management of ZF Friedrichshafen AG, Friedrichshafen, only. Our assignment for the Management of ZF Friedrichshafen AG, Friedrichshafen, and professional liability is governed by the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) in the version dated January 1, 2017 (https://www.kpmg.de/bescheinigungen/lib/aab_english.pdf). By reading and using the information contained in this assurance report, each recipient confirms notice of provisions of the General Engagement Terms (including the limitation of our liability for negligence to EUR 4 million as stipulated in No. 9) and accepts the validity of the General Engagement Terms with respect to us.

"9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, the liability of the German Public Auditor for claims for damages of any other kind, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: Produkthaftungsgesetz], for

an individual case of damages caused by negligence is limited to € 4 million pursuant to § 54 a Abs. 1 Nr. 2 WPO.

(3) The German Public Auditor is entitled to invoke demurs and defenses based on the contractual relationship with the engaging party also towards third parties.

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Next Generation Sustainability



Green Finance Report
May 2022

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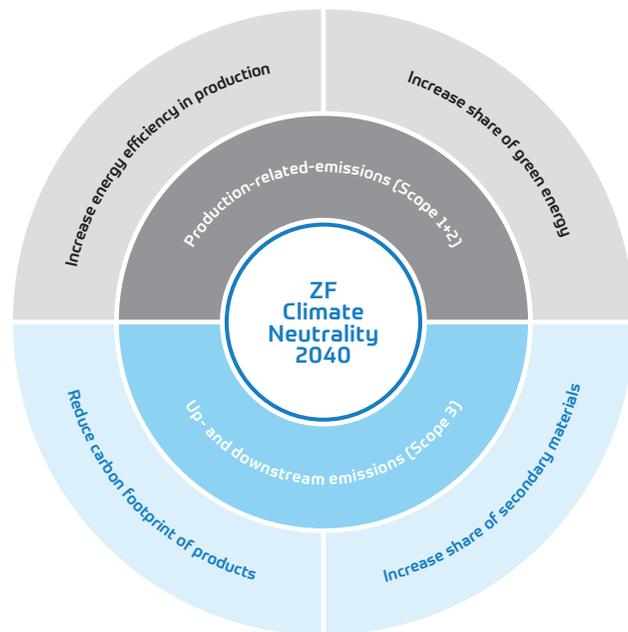
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1 ZF CLIMATE NEUTRALITY STRATEGY

Climate strategy and implementation (Scopes 1, 2 and 3)



Sustainability at ZF

Climate protection has become one of the most urgent issues of our time. ZF has adopted a correspondingly ambitious climate strategy, with the objective of achieving climate neutrality across all emission categories by 2040. Production-related emissions are to be reduced by 80% by 2030 as compared to 2019. At the same time, ZF is working on reducing emissions along its entire supply chain and on minimizing the environmental impact of its products with the target of reducing its Scope 3 GHG emissions by 40% per € million sales by 2030 compared to 2019. In the year under review and in connection with the Sustainability Ambition Initiative, 2019 was agreed on as the base year to be used.

The Group's target path towards climate neutrality is defined in accordance with the UN Sustainable Development Goals (SDGs), requirements of the Science Based Targets initiative (SBTi), the CDP (formerly the Carbon Disclosure Program) and the Taskforce on Climate-related Financial Disclosures (TCFD). The SBTi validation of the ZF climate goals ensures that these are consistent and robust and comply with the Greenhouse Gas Protocol (GHG) and the targets of the Paris Climate Agreement.

The GHG Protocol sets an international standard for the categorization of direct and indirect sources of emissions. Climate-neutral means that no process, product, or service will increase the CO₂e load in



ZF climate targets at a glance

- ZF undertakes to reduce its absolute Scope 1 and 2 GHG emissions by 80% by 2030, with 2019 as the base year.
- ZF undertakes to reduce its Scope 3 GHG emissions by 40% per million euro sales by 2030, with 2019 as the base year.
- ZF undertakes to increase its annual procurement of electricity from renewable energies from 10% in 2019 to 100% by 2030.

the atmosphere. ZF addresses all three scopes of GHG emissions: Scope 1 includes direct emissions resulting from the combustion of fossil fuels in ZF's own production and Scope 2 involves emissions from purchased energy, e.g., electricity. Scope 3 accounts for indirect emissions generated by purchased goods ("upstream") and emissions generated by ZF products in the utilization phase ("downstream"). In addition to managing CO₂ emissions, ZF will also tackle emissions such as methane and various hydrocarbons which occur in smaller quantities than CO₂ but which are much more harmful in the atmosphere. Therefore, all relevant greenhouse gases are included and reported as CO₂e.

Contributing to worldwide sustainability efforts

Sustainability, however, is more than climate protection. We want to meet the needs of the present without jeopardizing opportunities for future generations. The United Nations has defined 17 Sustainable Development Goals. These are policy objectives designed to ensure sustainable development worldwide at the economic, social and environmental levels. ZF has identified eight of these goals to which our company can make a relevant contribution in the context of our business activities, either by minimizing impacts or by developing new technical solutions with positive effects. In our sustainability efforts, we focus on the following three dimensions: climate and nature, people, enduring values.

With regard to the dimension climate and nature, we are more than delighted that investors can now participate in ZF's sustainability strategy and contribute to a lower-emission and more climate-friendly economy, while ZF can combine its financing and sustainability strategy to finance the significant investments towards "Next Generation Mobility". ZF's Green Finance Debut in May 2021, followed by a second transaction in November 2021, couldn't have been more successful and underpins that Green Finance is a consequent step on accelerating the transformation towards "Next Generation Mobility".

Acting now.
Sustainability @ ZF

Acting for climate and nature

- Climate action**
 - Reduction of emissions across the value chain
 - Use and production of renewable power
- Sustainable and circular products and operations**
 - Use of recycled materials for ZF products
 - Electrification of ZF product portfolio

Acting for all people

- Employee development and diversity**
 - Respect and commitment for diversity and equal rights
 - Empower and develop our employees
- Keeping people safe**
 - Responsibility for the entire ZF community
 - Highest health & safety standards

Acting for lasting values

- Supply chain responsibility**
 - Respect Human Rights
 - Fair working conditions, equal rights and fair remuneration along the value chain
- Responsible behavior across the business**
 - Transparent and ethic business behavior
 - Responsible and accountable partnerships
- Long-term value creation and resilience**
 - Long-lasting values based on sustainable mindset
 - Efficient structures and continuous improvement of processes

Foundation:

- Sustainable Development Goals
- 4 QUALITY EDUCATION
- 7 AFFORDABLE AND CLEAN ENERGY
- 8 DECENT WORK AND ECONOMIC GROWTH
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 11 SUSTAINABLE CITIES AND COMMUNITIES
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- 13 CLIMATE ACTION
- 17 PARTNERSHIPS FOR THE GOALS

2 ALLOCATION REPORT

Use of proceeds

Summary of the ZF Green Finance Framework: Eligible Green Projects and Second Party Opinion

ICMA/LMA Green Eligible Category	Description of Eligible Assets: Eligibility Criteria	Contribution to UN SDGs	Contribution to EU Environmental Objectives
Clean Transportation	<ul style="list-style-type: none"> Development, manufacture and distribution of products for fully electric, fuel cell and hydrogen zero emission vehicles¹ and energy storage systems, including investments and/or expenditures in public transportation/clean urban mobility (e.g., electric buses, rail, bike) 	 	<ul style="list-style-type: none"> EU Environmental Objective 1: Substantial contribution to climate change mitigation (Article 10) Substantial contribution to EU Objective 1: (1.c) Increasing clean or climate-neutral mobility
Renewable Energy	<ul style="list-style-type: none"> Development, manufacture and distribution of components for renewable energy generation and storage systems, e.g., wind turbine gearboxes Installation and upgrade of renewable energy assets including e.g., solar PV and wind, at ZF locations. In line with the technical screening criteria of the EU Taxonomy, only renewable energy assets with a threshold of 100 g CO₂/kWh² are eligible. Nuclear and fossil fuel sources are excluded 	 	<ul style="list-style-type: none"> EU Environmental Objective 1: Substantial contribution to climate change mitigation (Article 10) Substantial contribution to EU Objective 1: (1.a) Generating, transmitting, storing, distributing or using renewable energy in line with Directive (EU) 2018/2001, including through using innovative technology with a potential for significant future savings or through necessary reinforcement or extension of the grid
Pollution Prevention and Control³	<ul style="list-style-type: none"> Development and implementation of approaches to prevent and reduce waste and enhance the re-use and recovery of materials Increase of energy and resource efficiency, such as reduced CO₂ emissions, in product development Reduction of greenhouse gas emissions during the ZF production phase 	 	<ul style="list-style-type: none"> EU Environmental Objective 4: Substantial contribution to the transition to a circular economy (Article 13) Substantial contribution to EU Objective 4: (1.b) Increasing the durability, reparability, upgradability or reusability of products, in particular in designing and manufacturing activities
Energy Efficiency³	<ul style="list-style-type: none"> Increase of energy and resource efficiency, such as reduced energy consumption or CO₂ emissions, in ZF locations. In the case of building renovations, the renovation must lead to a reduction of the Primary Energy Demand of at least 30% in comparison to the energy performance of the building before the renovation 	 	<ul style="list-style-type: none"> EU Environmental Objective 1: Substantial contribution to climate change mitigation (Article 10) Substantial contribution to EU Objective 1: (1.b) Improving energy efficiency, except for power generation activities as referred to in Article 19(3)




SECOND PARTY OPINION (SPO) **ZF FRIEDRICHSHAFEN AG**

Sustainability Quality of the Issuer and Asset Pool as of 20.04.2021

ALIGNMENT WITH ICMA GBPs and LMA GLPs

PRINCIPLES ALIGNMENT

- 1. Use of Proceeds ✔
- 2. Process for Project Evaluation and Selection ✔
- 3. Management of Proceeds ✔
- 4. Reporting ✔

POSITIVE

ALIGNMENT OF THE ASSET POOL WITH THE EU TAXONOMY (March 2020 and Draft Delegated Act November 2020 versions)

ASSET CATEGORIES

- Manufacture of renewable energy technologies
- Manufacture of low carbon technologies for transport

POSITIVE

SUSTAINABILITY PERFORMANCE

According to the ISS ESG Corporate Rating published on 11.08.2020, the Issuer shows a high sustainability performance against the industry peer group on key ESG issues faced by the Auto Components sector. The Issuer is rated 8th out of 80 companies within its sector.

The Use of Proceeds financed through the Green Finance Instruments are consistent with the Issuer's sustainability strategy and material ESG topics for the Issuer's industry. The rationale for issuing Green Finance Instruments is clearly described by the Issuer.

CONSISTENT WITH ISSUER'S SUSTAINABILITY STRATEGY

CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS



ISS ESG's SPOs provide Sustainability, Green and Social bond issuers with a credible and independent assessment of the sustainability quality of their bonds.

Those that meet ISS ESG's rigorous global standards give sustainability-oriented investors security that the projects they fund are suitably green or social.

The ISS ESG's present evaluation will remain valid as long as no new project categories are added to the Green Finance Framework and there are no material changes to the asset pool.



LEADING SPO MARKET EXPERTISE

EXPERIENCE ACROSS ISSUER TYPES AND ASSET CLASSES

SUPPORTED BY WIDER ISS FUNCTIONS

- 1 Components for HEVs and PHEVs are excluded. ➔ [ZF Green Finance Framework](#)
- 2 Regarding emissions as part of life cycle assessments. ➔ [ZF Green Finance Framework - Second Party Opinion](#)
- 3 Measures related to combustion engines, HEVs, PHEVs or any other activity which is not in the scope of EU environmentally sustainable economic activities (Regulation (EU) 2020/852 Chapter II) are excluded.

ZF is convinced that Green Finance Instruments are an effective tool for channeling investments to projects that have environmental benefits and thereby contribute to achievement of the United Nations' Sustainable Development Goals and the Paris Agreement. By issuing Green Finance Instruments, ZF intends to align its funding strategy with its mission, sustainability strategy and objectives. The proceeds from the issuance of each Green Finance Instrument will be used to finance or re-finance, in part or in full, new or existing green projects ("Eligible Green Projects") in accordance with ZF's core businesses and sustainability strategy, falling within one of the eligible categories detailed above, meeting the respective Green Eligibility Criteria.

Use of proceeds

Our Green Project Portfolio – purely electric and renewable energy

The ZF Green Finance Framework (GFF) describes the Eligibility Criteria according to which the Eligible Green Projects are selected to form the Eligible Green Project Portfolio of ZF. The Green Eligibility Criteria have been prepared in accordance with the ICMA and LMA Green Bond and Green Loan documentation and take into consideration the EU classification system for sustainable economic activities (the EU Taxonomy) as published in the Draft Delegated Act for climate change mitigation and climate change adaptation activities of November 2020 and the EU Green Bond Standard.

ZF's current portfolio includes projects that focus on the one hand on the development, manufacture and distribution of products for pure battery-electric vehicles (BEVs, no hybrids), and on the other hand on the development, manufacture and distribution of wind turbine gear units. Herewith, ZF accounts for two market shifts. First, ZF is expecting a considerable market shift to occur by 2030 thanks to electrification. Within a decade, the proportion of conventional engines will decrease from 90 to less than 50 percent. At a share of 40 percent, pure battery electric vehicles (BEVs) will have clearly overtaken plug-in hybrid electric vehicles (PHEVs). Second, for the transformation towards electromobility to succeed it requires a global energy transition. According to IRENA, renewable energies would need to climb to 86 percent of electricity generation by 2050 to achieve the objectives of the Paris Agreement. In this scenario, wind energy is set

to become one of the biggest drivers of the global energy transition, fulfilling more than one-third of total electricity demand, and this at strongly increasing energy generation needs. Herewith, Green Finance is a consequent step in accelerating the transformation towards "Next Generation Mobility", in which we strive to deliver a clean and safe mobility that is automated, comfortable and affordable for everyone, everywhere.

ZF has established a cross-departmental Green Finance Committee ("GFC"). It is responsible for overseeing the process of selecting, evaluating and monitoring Eligible Green Projects for the Eligible Green Project Portfolio of ZF. The process of evaluating the Eligible Green Project Portfolio comprises various steps and is primarily based on internal project reporting. In consultation with the teams of Environmental Protection, Sustainability and Corporate Finance/Treasury, the Corporate Controlling derives a list of Eligible Green Projects and underlying assets (tangible and intangible), capital expenditures (tangible and intangible) and R&D expenditures in the categories complying with ZF's GFF. The GFC reviews these identified projects and respective assets (tangible and intangible), capital expenditures (tangible and intangible) and R&D expenditures, and finally decides on their eligibility under the ZF Green Finance Framework. The Committee consists of members of the Corporate Finance/Treasury, Controlling, Environmental Protection and Sustainability teams.





For the Clean Transportation Category, the Eligible Green Project Portfolio includes Eligible Green Projects which are green capital expenditures (tangible and intangible) and green R&D expenditures needed for the development, manufacture and distribution of products for BEVs. Capital expenditures (tangible and intangible) and R&D expenditures for hybrids are not included in ZF's Eligible Green Project Portfolio. Products for BEVs are defined as products which are specifically developed and finally built into a battery-electric vehicle (BEVs, no hybrids). This definition addresses the core technology such as e-axes, e-drives, and recuperating brakes as well as products which are dedicated to an application for BEVs only.

For the Renewable Energy Category, the Eligible Green Project Portfolio includes Eligible Green Projects which are green assets (tangible and intangible) and green R&D expenditures needed for the development, manufacture and distribution of wind turbine gear units. Eligible green assets (tangible and intangible) qualify for refinancing without a

specific look-back period, provided that at the time of issuance they follow the relevant Green Eligibility Criteria. Assets will be included in the portfolio at their current IFRS balance sheet value, which will be updated annually to reflect inter alia new investments and depreciation under IFRS. The eligible green assets belong to the business unit Wind Power Technology, which is essentially a pure play sustainable activity and contributes to the EU Environmental Objective 1 "climate change mitigation". As such, assets (tangible & intangible) incorporate the operating assets of Wind Power Technology in form of property, plant and equipment, intangible assets, and associates as well as inventories and trade receivables from third parties. Excluded are financing positions such as cash and cash equivalents and financial assets as well as all other assets not specifically listed, such as deferred taxes.

Green capital expenditures (tangible and intangible) and R&D expenditures qualify with a three-year look-back period from the year of the green bond issuance, which means that capital expenditures

(tangible and intangible) and R&D expenditures initially included within the Eligible Green Project Portfolio will not be older than three years (full year). The scope consequently includes the period between January 1, 2018 and December 31, 2021. Green R&D expenditures consist of product-related and overhead costs, e.g., labor costs, costs for used materials and costs for information systems and technology, and are adjusted for capitalized R&D development costs and their amortization, as well as R&D-related depreciation to avoid double counting with respect to green asset and green capital expenditure reporting. R&D expenditures further exclude R&D sales and coordinated demanded services (group internal services). Green capital expenditures include IFRS16 lease assets in line with the CAPEX term of the EU Taxonomy, and consist of capitalized costs for buildings, technical equipment and machinery, and tooling, amongst others.

3 IMPACT REPORT

Methodology

Renewable Energy

The business unit Wind Power Technology is essentially a pure play sustainable activity in accordance with the EU activity “3.1 Manufacture of renewable energy technologies” as per EU Taxonomy Climate Delegated Act. With respect to the development, manufacture and distribution of wind turbine gear units, ZF committed to report on three impact indicators: the number of wind turbines covered, annual renewable energy generated and estimate of annual GHG emissions avoided/reduced during use. In 2021, ZF covered 3,965 wind turbine gear units and contributed to an installed capacity of 15,466 MW, considering the wind turbine gear units’ respective power classes. As the actual capacity of a wind turbine is particularly dependent on the location and weather conditions (e.g., wind speed, solar irradiation), the installed capacity was adjusted by a technical efficiency factor of 35%, leading to an annual renewable energy generated of 47,418,756 MWh. Using a world emission factor of 406.6 g CO₂ per kWh, derived from the International Energy Agency (IEA)’s Policy and Sustainable Development Scenario, ZF estimates to have avoided 19,280,466 t CO₂ of annual GHG emissions during use in 2021.

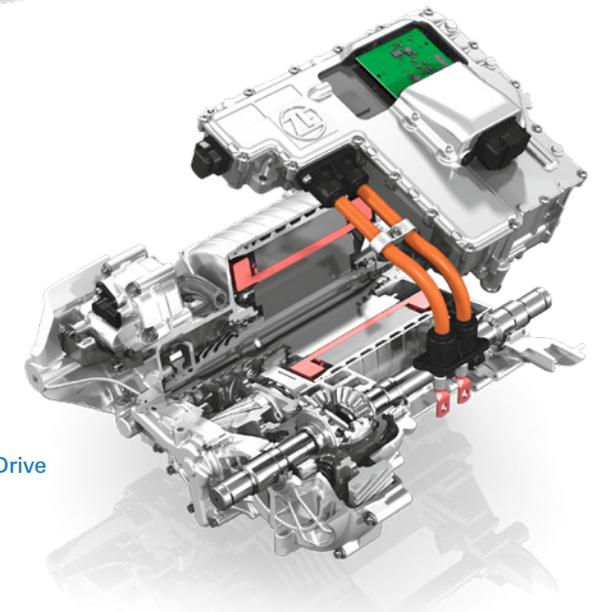
Clean Transportation

With respect to the development, manufacture and distribution of products for pure battery electric vehicles, ZF committed to report on the estimate of annual GHG emissions avoided/reduced during use as impact indicator. ZF’s EV business mainly delivers to passenger cars, on which the calculation of the estimate of annual GHG emissions avoided/

reduced during the use phase of the battery electric vehicle was based. ZF refers to the VDA lifetime distance of the respective vehicle classes in the WLTP driving cycle and assumes that the ZF-equipped vehicles (BEV, no hybrids) in 2021 replace internal combustion engine (ICE) vehicles (e.g., petrol and diesel). Both vehicle types generate well-to-wheel emissions, stemming from the use phase of the respective vehicles over their lifetime. For ICE vehicles they originate from fuel combustion whilst driving the car, and for BEVs from charging the battery. Following the guidelines of the Greenhouse Gas Protocol Standard, the emissions were calculated in a weight-based approach referring to lead products and upscaled by their respective sales volume. In this context, the calculations in the report represent a maximum impact assessment limited to these circumstances. In 2021, ZF estimates to have avoided 195,054 t CO₂ of annual GHG emissions during use.



Wind turbine gearbox



Electric Axle Drive

Impact Report

Based on the Approach of the Harmonized Framework

Eligible Project Category	Signed Amount		Share of Total Portfolio Financing		Eligibility for Green Finance Instruments		Allocated Amount		Annual GHG Emissions Reduced/ Avoided during Use		Number of Wind Turbines Covered		Annual Renewable Energy Generated	
	Ⓐ	in € million	Ⓑ	in %	in %	Ⓒ	in € million	Ⓓ	in t CO ₂ p.a.	Ⓓ	number	Ⓓ	in MWh p.a.	
Renewable Energy		909		42	100		416		19,280,466		3,965		47,418,756	
Clean Transportation		1,278		58	100		584		195,054		not applicable		not applicable	
Total Eligible Green Project Portfolio		2,187		100	100		1,000		19,475,520					

Ⓐ Signed amount represents the amount legally committed by the issuer for the portfolio of projects or is eligible for green bond financing.

Ⓑ This is the share of the total project costs that is financed by the issuer.

Ⓒ This represents the amount of green debt instruments proceeds that has been allocated for disbursement to the portfolio.

Ⓓ Eligible Category impact indicators, based on the Eligible Green Project Portfolio:

Renewable Energy

- Technical efficiency factor: 35%
- World emission factor: 406.6 g CO₂ per kWh, derived from IEA's Policy and Sustainable Development Scenario

Clean Transportation

- Vehicle basis: passenger cars (various vehicle classes), utilization acc. to VDA lifetime distance (e.g., for upper middle class: 200,000 km)
- Consumption data (well-to-wheel): WLTP
 - ICE: fuel emission factor (diesel): 2.5 kg CO₂ per liter (6% biofuel share), based on DIN EN 16258 for transport emissions
 - BEV: electricity factor: 406.6 g CO₂ per kWh, derived from IEA's Policy and Sustainable Development Scenario

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Limited Assurance Report of the Independent Auditor regarding the Use of Proceeds in the Appendix “Green Finance Report – Allocation Report” of ZF Friedrichshafen Aktiengesellschaft

To ZF Friedrichshafen Aktiengesellschaft, Friedrichshafen

We have been engaged to perform an independent limited assurance engagement on the qualitative and quantitative disclosures related to the Use of Proceeds in the Appendix “Green Finance Report – Allocation Report” (further “Report”) of ZF Friedrichshafen Aktiengesellschaft, Friedrichshafen (further “Company”) for the calendar years 2018 – 2021.

It was not part of our engagement to review the Green Finance Framework of ZF Friedrichshafen Aktiengesellschaft and the report on impacts.

Management’s Responsibility for the Report

The legal representatives of the Company are responsible for the preparation of the Report in accordance with the Reporting Criteria. ZF Friedrichshafen Aktiengesellschaft applies the principles and standard disclosures of Green Finance Framework (April 2021) of ZF Friedrichshafen Aktiengesellschaft as Reporting Criteria (further “Reporting Criteria”).

The responsibility of the legal representatives includes the selection and application of appropriate methods to prepare the Report and the use of assumptions and estimates for selected qualitative and quantitative sustainability disclosures which are reasonable under the given circumstances. Furthermore, this responsibility includes designing, implementing and maintaining systems and processes relevant for the preparation of the Report in a way that is free of – intended or unintended – material misstatements.

Practitioner's Responsibility

It is our responsibility to express a conclusion on the Report based on our work performed within a limited assurance engagement.

We conducted our work in the form of a limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information", published by the International Auditing and Assurance Standards Board (IAASB).

Accordingly, we have to plan and perform the assurance engagement in such a way that we obtain limited assurance as to whether any matters have come to our attention that cause us to believe that the Report of the Company for the calendar years 2018 – 2021 has not been prepared, in all material respects, in accordance with the Reporting Criteria.

We do not, however, issue a separate conclusion for each disclosure. As the assurance procedures performed in a limited assurance engagement are less comprehensive than in a reasonable assurance engagement, the level of assurance obtained is substantially lower. The choice of assurance procedures is subject to the auditor's own judgement.

Within the scope of our engagement we performed, amongst others, the following procedures:

- Inquiries of personnel on group level responsible for the disclosures related to the Use of Proceeds of the Green Bonds, in order to gain an understanding of the processes for the data management
- Interviews with relevant staff on corporate level responsible for providing and consolidating the data and information, as well as carrying out internal control procedures on the data and information
- Evaluation of the design and implementation of the systems and processes for the collection, processing and control of the quantitative disclosures included in the scope of the Use of Proceeds of the Green Bonds
- Evaluation of selected internal and external documents
- Assessment of local data collection and reporting processes and reliability of reported data via a sampling survey
- Reviewing the consistency of eligible green category declared by Green Finance Framework with the reported information in the Report
- Verification whether the reported eligible green assets are aligned with the eligibility criteria set out in the Green Finance Framework

Our assurance does not extend to any other information in the Report. We have neither reviewed and do not provide any assurance over any individual project information reported, nor is the reporting on the project evaluation and selection and the management of proceeds part of our assurance procedures.

Furthermore, we have no responsibility for challenging the Eligibility Criteria and, in particular, we give no interpretation on the final terms.

The verification of the issue conditions of the Green Bonds (including issue volume) and the process for internal tracking of disposition of funds was not part of our limited assurance engagement.

In our opinion, we obtained sufficient and appropriate evidence for reaching a conclusion for the assurance engagement.

Independence and Quality Assurance on the Part of the Auditing Firm

In performing this engagement, we applied the legal provisions and professional pronouncements regarding independence and quality assurance, in particular the Professional Code for German Public Auditors and Chartered Accountants (in Germany) and the quality assurance standard of the German Institute of Public Auditors (Institut der Wirtschaftsprüfer, IDW) regarding quality assurance requirements in audit practice (IDW QS 1).

Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the qualitative and quantitative disclosures of ZF Friedrichshafen Aktiengesellschaft related to the Use of Proceeds in the Appendix "Green Finance Report – Allocation Report" for the calendar years 2018 – 2021 included in the scope of this engagement has not been prepared, in all material respects, in accordance with the Reporting Criteria.

Restriction of Use/General Engagement Terms

This assurance report is issued for purposes of the Management of ZF Friedrichshafen Aktiengesellschaft, Friedrichshafen, only. We assume no responsibility with regard to any third parties.

Our assignment for the Management of ZF Friedrichshafen Aktiengesellschaft, Friedrichshafen, and professional liability as described above was governed by the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) in the version dated 1 January 2017 (https://www.kpmg.de/bescheinigungen/lib/aab_english.pdf). By reading and using the information contained in this assurance report, each recipient confirms notice of the provisions contained therein including the limitation of our liability as stipulated in No. 9 and accepts the validity of the General Engagement Terms with respect to us.

Frankfurt am Main, 4 May 2022

KPMG AG
Wirtschaftsprüfungsgesellschaft

Glöckner
Wirtschaftsprüfer
[German Public Auditor]

Brokof
Wirtschaftsprüferin
[German Public Auditor]

Appendices

Use of Proceeds in the Appendix “Green Finance Report – Allocation Report”

General Engagement Terms

Appendix
General Engagement
Terms

General Engagement Terms

for

Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften

[German Public Auditors and Public Audit Firms]

as of January 1, 2017

1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (*Wirtschaftsprüfer*) or German Public Audit Firms (*Wirtschaftsprüfungsgesellschaften*) – hereinafter collectively referred to as "German Public Auditors" – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is expressly agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties.

2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (*Grundsätze ordnungsmäßiger Berufsausübung*). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (*betriebswirtschaftliche Prüfungen*), the consideration of foreign law requires an express written agreement.

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information provided as well as the explanations and statements, in a written statement drafted by the German Public Auditor.

4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in writing as part of the work in executing the engagement, only that written work is authoritative. Drafts are non-binding. Except as otherwise agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing. Statements and information of the German Public Auditor outside of the engagement are always non-binding.

6. Distribution of a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's written consent, unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for the rectification of deficiencies in writing (*Textform*) [Translators Note: *The German term "Textform" means in written form, but without requiring a signature*] without delay. Claims pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: *Handelsgesetzbuch*], § 43 WPO [German Law regulating the Profession of Wirtschaftsprüfer: *Wirtschaftsprüferordnung*], § 203 StGB [German Criminal Code: *Strafgesetzbuch*]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, the liability of the German Public Auditor for claims for damages of any other kind, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: *Produkthaftungsgesetz*], for an individual case of damages caused by negligence is limited to € 4 million pursuant to § 54 a Abs. 1 Nr. 2 WPO.

(3) The German Public Auditor is entitled to invoke demurs and defenses based on the contractual relationship with the engaging party also towards third parties.

(4) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(5) An individual case of damages within the meaning of paragraph 2 also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(6) A claim for damages expires if a suit is not filed within six months subsequent to the written refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report, he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's written consent and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing, ongoing tax advice encompasses the following work during the contract period:

- a) preparation of annual tax returns for income tax, corporate tax and business tax, as well as wealth tax returns, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party
- b) examination of tax assessments in relation to the taxes referred to in (a)
- c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
- d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)
- e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing.

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (*Steuerberatungsvergütungsverordnung*) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (*Textform*).

(6) Work relating to special individual issues for income tax, corporate tax, business tax, valuation assessments for property units, wealth tax, as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

- a) work on non-recurring tax matters, e.g. in the field of estate tax, capital transactions tax, and real estate sales tax;
- b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;
- c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and
- d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (*Textform*) accordingly.

13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (*Verbraucherschlichtungsstelle*) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (*Verbraucherstreitbeilegungsgesetz*).

15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.